GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1580
ANSWERED ON:27.02.2003
LIBERALISATION OF LNG POLICY
SHYAMA SINGH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government are considering to liberalise the national LNG policy including pricing and imports;

(b) if so, the facts and details thereof;

(c) whether the demand of LNG in various fields such as power and fertilizer have increased during the past few years;

(d) if so, the details thereof; and

(e) to what extent liberalisation of national LNG policy is going to help fertilizer and power sectors in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) The import of Liquified Natural Gas (LNG) has been placed under Open General Licence (OGL) with permission for 100% Foreign Direct Investment (FDI). The companies are free to import and market LNG at market determined prices.

(c) & (d) As against the current allocation of 120 Million Metric Standard Cubic Meters Per Day (MMSCMD) of natural gas, the curren supply is about 65 MMSCMD. As per the Hydrocarbon Vision 2025 the demand of natural gas would go upto 231 MMSCMD in 2006-07, including in power and fertilizer sectors. To bridge the large gap between demand and supply of natural gas, one of the options is to import LNG.

(e) Liberalization of LNG would attract more investment in LNG projects reducing the large gap in demand and supply of gas for various sectors including fertilizer and power sectors.